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Agenda Item: 12-5A.2

Meeting Date: August 11 and 12, 2004

**CONSIDERATION OF A RESOLUTION AUTHORIZING THE DIRECTOR OR DESIGNEE
TO PROCEED WITH THE ECOSYSTEM RESTORATION PROGRAM'S
2004 MONITORING AND EVALUATION GRANT PROPOSAL SOLICITATION PACKAGE,
CONSISTENT WITH THE STATED PRIORITIES, SOLICITATION AND EVALUATION
CRITERIA AND PROCESS, AND SCHEDULE**

Summary: This resolution would authorize the Director or designee to proceed with the Ecosystem Restoration Program's (ERP) Monitoring and Evaluation Proposal Solicitation Package (PSP) for soliciting grant proposals to monitor and evaluate previously funded ecosystem restoration actions, consistent with the stated priorities, solicitation and evaluation criteria and process, and schedule.

Recommended Action by the Authority: Staff recommends that the Authority adopt the attached Resolution 04-08-06, which authorizes release of the monitoring and evaluation PSP.

Background

The ERP implements its annual Program Plan in large part by awarding grants to ecosystem science and restoration projects that meet ERP priorities. Proposals to address these priorities are solicited through periodic PSPs that outline program priorities and grant application processes.

Proposition 50 (Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002) provides \$180 million for CALFED Bay-Delta Program ERP implementation. In FY 2004-05, it is anticipated that up to \$122.9 million of these funds will be available to fund grants that carry out ERP projects, including up to \$53.7 million previously appropriated to the California Bay-Delta Authority and up to \$69.2 million that may be appropriated to the Department of Fish and Game (DFG). Funds from other sources, including the Central Valley Project Improvement Act (CVPIA), National Oceanographic and Atmospheric Administration Restoration Funds, or Natural Resource Damage Assessment Settlement Funds, may also be available to carry out some of these projects.

Recommended Approach For Project Selection In FY 2004-05

The recommended approach for selecting 2004-05 ERP projects is to release two PSPs:

- 1. Monitoring and evaluating prior restoration actions.** A solicitation for projects that monitor and evaluate previously funded restoration actions will be issued following the Authority's approval of the solicitation. This solicitation is described in more detail later in this staff report. The ERP Science Board and the Bay-Delta Public Advisory Committee and its Ecosystem Restoration Subcommittee have reviewed and commented in public meetings on the priorities, solicitation and evaluation criteria and process, and schedule for the monitoring PSP and support its release. All draft documents have been available on the Internet for public review and input prior to those public meetings.

Discussions at the Ecosystem Restoration Subcommittee and the ERP Science Board have underscored the importance of continuing to monitor the results of restoration actions. Because ERP grants are limited to three years, many restoration projects will soon exhaust their budgets for monitoring. If new funding is not provided soon, opportunities to sustain monitoring of how completed restoration projects are affecting the ecosystem will be lost. Results from this monitoring can also support adaptive management of previously funded ERP actions and improve planning for future projects.

ERP staff is working closely with Science Program staff whose PSP is also under development at this time. Science and ERP staff will work together to ensure that the two solicitations are complementary.

- 2. Other ecosystem restoration and research projects.** A second solicitation for other kinds of projects, including projects that assist farmers in integrating agricultural activities with ecosystem restoration, will be released later. The agencies implementing the ERP are now assessing progress on the milestones of the Multi-Species Conservation Strategy. Assessment results will be finalized soon. They will provide a basis for updating priorities for a major solicitation for ecosystem restoration and research projects. We anticipate releasing this solicitation in late fall 2004 or early winter 2005.

Proposals to complete fish screens will be considered in cooperation with the CVPIA Anadromous Fish Screen Program, instead of through the review of proposals submitted in response to a solicitation.

Description Of Monitoring And Evaluation PSP

Described below are the PSP's eligibility requirements, the solicitation's priorities, and the criteria and processes proposed to evaluate these proposals.

Eligibility

Any public agency or any non-profit organization (as defined in Water Code Section 79505(g)) with an interest in ecosystem restoration and who is capable of entering into a contract with the State or Federal government may apply. This includes, but is not limited to: (1) local agencies; (2) private non-profit organizations, as statutorily defined; (3) tribes; (4) universities; (5) State agencies; and (6) Federal agencies. Pending legal resolution of appropriateness under Proposition 50, it is possible that eligibility may be opened to private, for-profits entities, as well. Proponents do not need to have received prior CALFED Bay-Delta Program or CVPIA grants to submit a proposal to monitor a previously funded restoration action, because there may be cases where monitoring and evaluation may more appropriately be undertaken by someone other than the organization that designed or built a project.

Project Priorities

The priority of this solicitation is monitoring and evaluation of the outcome of restoration actions, or groups of restoration actions, previously funded through CALFED Bay-Delta Program ERP solicitation processes or by directed actions. A fuller description of the priority is in Attachment 1.

Review Process

The solicitations will be managed using a website through which proposals and reviews are submitted and viewed, as has been the case for the past two years. A toll-free telephone answer line will be available to assist applicants. Potential applicants without internet access will receive help in submitting proposals.

The proposal review process involves seven steps (Attachment 2). All completed proposals will undergo administrative review, external scientific, regional and technical review prior to initial consideration by the Selection Panel. The Selection Panel will consider comments from local governments, tribes, applicants and others in making its final funding recommendations to the California Bay Delta Authority and other funders.

The ERP relies on many experts to review ecosystem restoration proposals. ERP implementing agency and Authority staff conduct administrative reviews. Seven to twelve regional experts, drawn from resource agencies, stakeholders, and local research institutions, serve on the four Regional Panels: Sacramento Valley, San Joaquin Valley, Delta and Eastside Tributaries, and Bay-Suisun Marsh. External reviewers are experts in the subject areas of the proposal. The Technical Panel will

consist of experienced scientists whose expertise spans the range of topics covered by submitted proposals. The Selection Panel will be recognized scientists and resource managers covering a broad range of expertise. They are familiar with the Bay-Delta watershed, well connected with others, and represent different fields.

Selection Criteria

Proposals will be evaluated on these criteria:

- **Administrative Review.** Performance on previously funded projects, need for additional funds, environmental compliance, and budget evaluation.
- **Regional Review.** Applicability to ERP goals; priority areas; links with other restoration activities; feasibility based on local circumstances; local involvement; and local value.
- **External Scientific Review.** Clarity, relevance, and justification for project; approach; technical feasibility; appropriate performance measures; value of products; capabilities; and cost/benefit.
- **Technical Review Panel.** The Technical Review Panel considers and integrates all prior reviews in an unambiguous, qualitative rating of each proposal's technical merits.
- **Selection Panel.** The Selection Panel will make a qualitative ranking of projects, selecting for funding high quality proposals that meet these criteria: strategic benefit, desirable project features, ERP implementation plan priority, value to decision makers and stakeholders, and implementability. The Selection Panel will also apply the Record of Decision's commitments regarding acquisitions and agriculture to any projects that propose buying monitoring sites or rights of way.

Attachment 3 describes the criteria more fully.

Outreach

Preliminary funding recommendations will be presented to the public at a publicly noticed workshop, followed by a public comment period. CALFED Program staff will directly notify local governments, tribes, and applicants of the initial recommendation and guidelines for providing comments. Local governments and tribes will be asked to comment on local feasibility concerns. Applicants may provide clarifying comments, but not new information. The Selection Panel considers these comments in making its final recommendations.

Funding Recommendations

The Selection Panel's final recommendations will be forwarded to the appropriate funding agency. When those are CALFED Bay-Delta Program agencies, they will present their proposed funding actions to the California Bay-Delta Authority for its review and recommendation prior to making their final funding decisions. Grants for projects to be funded by the California Bay-Delta Authority will be approved directly by the Authority.

Anticipated Schedule

The anticipated schedule for this process is as follows:

September 2004	Final Proposal Solicitation Package released
September 2004	Public workshops held to explain PSP
November 2004	Proposals due
March 2005	Initial recommendations
April 2005	Public comment period on initial recommendations
May 2005	Final recommendations
June 2005	Recommendations presented to the Authority and other funding agencies
July 2005	Contract negotiations begin.

The release of the PSP is subject to the availability of funds and final approval by DFG.

Fiscal Information

Funding Source: Proposition 50, the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002

Total Amount: Approximately \$20 million of the \$122.9 million available. The amount actually awarded will be determined through the selection process and may be less than the \$20 million target.

List of Attachments

Attachment 1 – Solicitation Priorities

Attachment 2 – Review Process

Attachment 3 – Proposal Review and Selection Criteria

Contact

Dan Castleberry
Deputy Director for Ecosystem Restoration

Phone: (916) 445-0769

SOLICITATION PRIORITIES

The priority of this solicitation is monitoring and evaluation of the outcome of restoration actions, or groups of restoration actions, previously funded through ERP solicitation processes or by directed actions. These prior restoration actions may have been funded by the CALFED Bay-Delta Program or by the Central Valley Project Improvement Act's Anadromous Fish Restoration Program, Anadromous Fish Screen Program, or Habitat Restoration Program.

We seek monitoring and evaluation projects that can help the ERP and its restoration partners to continue learning:

- How well restoration actions are attaining their objectives? How are ecosystems responding to multiple restoration actions in local areas? Are harmful ecosystem stressors, such as disrupted hydrology, poor water quality, or invasions by alien species reduced? Are ecosystem processes and functions recovering? What measures of project performance indicate the ecosystem's response?
- How much progress has been made towards the restoration objectives of the Ecosystem Restoration Program and the Multi-Species Conservation Strategy and the environmental water quality objectives of the Drinking Water Quality Program Plan?
- What adjustments to prior restoration actions are needed to better achieve their objectives? Were the ecosystem restoration problems that these actions were intended to address accurately defined?
- What new information or understandings are resulting from restoration actions that may lead to adjustments in our understanding of Bay-Delta ecosystems?

Monitoring of several types may be appropriate:

- **Trends.** Tracking status and trends of species' populations or other environmental variables in ecosystems where restoration is occurring to determine whether conditions are returning to desired objectives.
- **Implementation.** Evaluation of how well a restoration action achieves the objectives listed in the project's proposal.
- **Effectiveness.** Assessments that relate restoration actions' implementation to changes in ecosystem processes or species abundance and diversity.
- **Model Validation.** Investigations of the causal relationships between ecosystem structure and functions and restoration actions.

Monitoring and evaluating outcomes in ecosystems where the ERP has undertaken its most significant restoration actions is especially important. These are: Clear Creek, Butte Creek, Sacramento River, Cosumnes River (including adjacent areas in the eastern Delta), Tuolumne River, Merced River, North Delta, and San Pablo Bay, especially the Napa and Petaluma Rivers.

Another especially high priority is monitoring and evaluation that assess and compare outcomes of similar restoration actions, such as a group of actions to restore tidal marshes, meandering main stem rivers, or Central Valley tributaries.

Monitoring and evaluation that provide information about the status and trends in the population of key species, such as salmon or steelhead, to assess how these species have been affected by restoration projects, are also important.

Monitoring and evaluation that assess an ecosystem's cumulative response to several restoration actions, continuation of monitoring initiated with previously awarded ERP or CVPIA grants, or new studies intended to fill gaps in prior monitoring, are also appropriate.

Projects should help inform ecosystem management by synthesizing data, drawing conclusions, and reporting results to appropriate audiences, including decision makers, resource managers, stakeholders, researchers, and others.

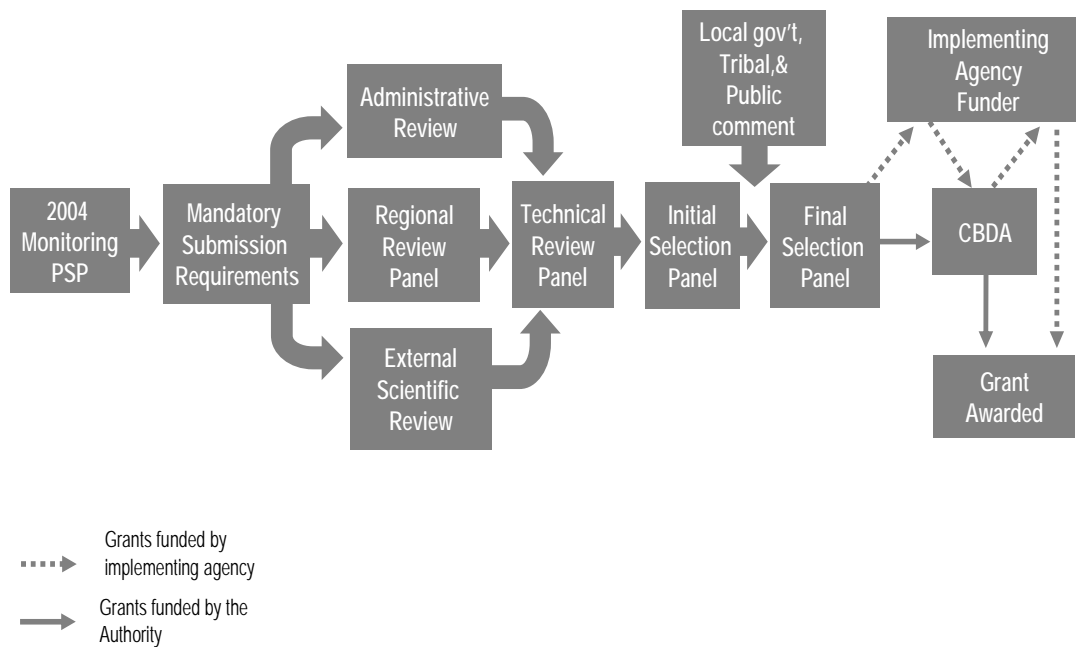
Other features we seek are:

- Multi-Institutional Initiatives. Projects that combine: (1) current monitoring of restoration action outcomes or ecosystem status and trends; (2) universities or other research institutions talented in synthesizing and evaluating information; and (3) agencies or organizations responsible for managing important ecosystems.
- Durable Partnerships. Projects likely to endure beyond the term of an ERP grant, because they establish readily replicated monitoring and evaluation processes, make full use of ongoing data-gathering programs, and build partnerships capable of attracting funding from multiple sources over time.
- Joint Fact-Finding. Projects that involve stakeholders and others in evaluating and reporting results in ways that lead to shared understanding about ecosystems and restoration action outcomes.
- Interdisciplinary Understanding. Projects that draw fully upon experts in physical and environmental sciences and other disciplines needed to understand restoration action outcomes and the associated ecosystem processes.

- Program Coordination. Projects that, where feasible, produce results readily integrated with those of other long-term monitoring efforts, such as the Interagency Ecological Program, the CVPIA's Comprehensive Assessment and Monitoring Program, the Surface Water Ambient Monitoring Program, the San Francisco Bay integrated regional wetland monitoring program, or endangered species recovery programs.
- Appropriate Scale. Investigations whose results are useful to resource management at various scales: regions/"ecozones", watersheds/"ecological management units", or local project area.

No one project can have all these attributes. Projects should incorporate them where appropriate to their proponents' needs and capabilities.

Review process



PROPOSAL REVIEW AND SELECTION CRITERIA

A. **Administrative Review.** Summary evaluation information will be provided for each proposal, using these criteria:

- Past performance, including effective grant management, on projects previously funded by CALFED or CVPIA programs;
- Next-phase funding (proof of earlier phases' progress is shown);
- Environmental compliance (accurate identification of potential environmental compliance or access issues);
- Budget evaluation (clarity and consistency of budget and budget justification; availability of matching funds is noted, but matching contributions are not required); and
- Land acquisition summary, where necessary (see Land Acquisition Selection Criteria).

B. **Regional Review.** The regional panels will review projects based on these regional criteria:

- Applicability to ERP goals, the MSCS, Draft Stage 1 Implementation Plan, CVPIA priorities, and restoration of priority areas
- Linkages with other restoration activities in that region, such as long term monitoring programs, ongoing implementation projects and regional planning efforts;
- Feasibility based on local circumstances (e.g., are there local constraints on the project's ability to move forward in a timely and successful manner?);
- Local involvement, including participation by universities, other research institutions, resource management agencies, and others with an enduring interest in the region.
- Local value, including extent to which the project will contribute to increased understanding by resource managers, stakeholders, and others, and will aid resource management decisions.

Comments on technical quality are appropriate but are a secondary output of this review.

C. **External Scientific Review.** The External Scientific Reviewers will be asked to review proposals based on the following criteria:

- Clearly stated goals, objectives, and hypotheses, and relevance of the monitoring proposed;
- Justification for project, including conceptual model;
- Approach and scope of work, including study design, information richness, and replicability.
- Technical feasibility and likelihood of success;

- Appropriate performance measures;
- Value of products, including accessibility of data, reliability (including sampling designs, statistical methods, and quality assurance and control procedures), and usefulness to decision-makers and other scientists;
- Capabilities (project team qualifications and track record, appropriateness of interdisciplinary team, ability of project team to complete the project); and
- Cost/benefit comments (Is the budget reasonable and adequate for the work proposed?).

D. **Technical Review Panel.** The Technical Review Panel will consider all previous criteria and reviews in its overall evaluation of the proposals. Its role is to evaluate and provide a qualitative but unambiguous rating of each proposal's technical quality to the Selection Panel. The panel will evaluate proposals on the external scientific criteria, while taking the regional and administrative review criteria and reviews into consideration. The desired end result of these discussions is a panel rating of the technical quality of the proposals, along with clear evaluation statements for each review criterion.

E. **Selection Panel's Initial Selection Process.** The Selection Panel will make recommendations for funding based on the evaluations conducted at all previous levels of review. The Selection Panel will be comprised of technical and resource-management experts covering a broad range of expertise. ERP staff in conjunction with the Lead Scientist will choose panel members, considering nominations from the ERP Independent Science Board and others. Panel membership will be balanced among practicing scientists and science managers or advisors knowledgeable about agency and stakeholder concerns. As a body the Selection Panel should be recognized and experienced, well-connected with others in their respective fields, represent different specialties within these fields, and be familiar with the issues and ongoing activities in the Bay-Delta watershed.

The Selection Panel will provide a check on earlier reviews, but its primary purpose is to make strategic funding recommendations from among the high quality proposals based on its qualitative consideration of the following criteria (in order of priority):

- Strategic benefit toward accomplishing ERP and CVPIA goals, including focus on high priority areas or species or widely replicated restoration actions
- Desired project features, including multi-institutional initiatives, persistent partnerships, joint fact-finding, interdisciplinary understanding, program coordination, and appropriate scale.
- Implementation Plan priority
- Value of information to decision makers and stakeholders
- Public support and implementability

All previous review criteria are embedded within the criteria listed above. The first bullet represents the overall evaluation criterion. The second ensures that proposals to evaluate monitor and evaluate especially important ecosystems, restoration actions or population responses will have a high priority for funding. The third and fourth of the five bullets are the selection criteria outlined in the *Strategic Plan for Ecosystem Restoration*. There is overlap among these criteria but they are presented here so that all will be considered and addressed by the Selection Panel.

Land Acquisition Selection Criteria. Proposals that include land acquisition to secure rights of way or sites for monitoring activities will be subject to additional review criteria. These criteria reflect the commitment made by CALFED Bay-Delta Program agencies in the ROD to minimize the impact of ERP implementation on agricultural land, and to utilize publicly owned lands and land already acquired with CALFED Bay-Delta Program funds in prior years, when feasible, prior to acquiring new private property. Summary information for these criteria will be compiled by Authority staff and provided to the Selection Panel:

- No public lands that would meet the project's needs are available.
- Willing seller;
- Consistent with county/city general plan or evidence of local government support;
- Prioritize land not mapped as Prime, of Statewide Importance, or Unique Farmland, or where use remains agriculture;

Initial Recommendation. The Panel may recommend that projects be funded, in whole or in part. Conditions of funding may be recommended to address issues raised during the proposal review. The panel may also identify projects that are high priorities and that should be considered for funding as directed actions if they are revised to address shortcomings identified during the reviews.

Public Comment Period. Local governments and tribes will be asked to comment on local feasibility concerns. Applicants may provide clarification comments on proposals submitted, but no new information, additional supporting documentation, or additional justification of a proposal will be accepted.

Selection Panel's Final Selection Process. The Selection Panel will meet again after the public comment period to consider written comments on technical aspects and local feasibility. The Selection Panel may revise its preliminary recommendation based on comments received.

Agenda Item: 12-5A.2

Meeting Dates: August 11 and 12, 2004

**CALIFORNIA BAY-DELTA AUTHORITY
RESOLUTION 04-08-06**

**AUTHORIZING THE DIRECTOR OR DESIGNEE TO PROCEED WITH THE ECOSYSTEM
RESTORATION PROGRAM'S 2004 MONITORING AND EVALUATION GRANT
PROPOSAL SOLICITATION PACKAGE, CONSISTENT WITH THE STATED PRIORITIES,
SOLICITATION AND EVALUATION CRITERIA AND PROCESS, AND SCHEDULE**

WHEREAS The California Bay-Delta Authority is committed to identifying and recommending funding of the most promising ecosystem restoration projects that contribute to recovery of endangered species, restoration of ecosystem functions and habitats, maintenance of sport and commercial fisheries, reduction in impacts from invasive species, and improvement of water and sediment quality; and

WHEREAS, Proposition 50, a bond measure approved by the voters in 2002, makes available funds to support implementation for the Bay-Delta Program's ecosystem restoration element; and

WHEREAS, the Authority and the Department of Fish and Game are the State agencies with authority to award and manage ecosystem restoration grant programs and propose to do so pursuant to a 2004 Monitoring and Evaluation Proposal Solicitation Package (PSP) containing priorities, solicitation and evaluation criteria and process, and schedule which further the goals and objectives of the ecosystem restoration Program; and

WHEREAS, the ERP Science Board, the Bay-Delta Public Advisory Committee, and its Ecosystem Restoration Subcommittee have reviewed and commented in public meetings on the priorities, solicitation and evaluation criteria and process, and schedule, and support the release of the PSP consistent therewith; and all draft documents have been available on the Internet for public review and input prior to these public meetings;

NOW, THEREFORE, BE IT RESOLVED that the California Bay-Delta Authority authorizes its Executive Director to proceed with the 2004 Monitoring and Evaluation PSP consistent with the stated priorities, selection process and schedule.

CERTIFICATION

The undersigned Assistant to the California Bay-Delta Authority does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the Authority held on August 11 and 12, 2004.

Dated: _____

Heidi Rooks
Assistant to the California Bay-Delta Authority